



## **2009/2010 ANNUAL REPORT**

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## **SECTION 1**

# **INTRODUCTION AND OVERVIEW**

**MEMBERS OF THE MAYORAL COMMITTEE**

NAME	POSITION	TELEPHONE	SECRETARY
Nkosi, S S ANC (male)	Executive Mayor <a href="mailto:sipho.n@govanmbeki.gov.za">sipho.n@govanmbeki.gov.za</a>	017 620 6280	Mary Mlotshwa
Mtsweni, O ANC (male)	Deputy Executive Mayor Finance Portfolio <a href="mailto:okie.m@govanmbeki.gov.za">okie.m@govanmbeki.gov.za</a>	017 620 6251	Zine Mahlangu
Masina, L L ANC (female)	Speaker <a href="mailto:lindi.m@govanmbeki.gov.za">lindi.m@govanmbeki.gov.za</a>	017 620 6218	Thandi Sekwelenkwe
Madonsela, E ANC (male)	Chief Whip <a href="mailto:edward.m@govanmbeki.gov.za">edward.m@govanmbeki.gov.za</a>	084 700 1514	Ntokozo Thabethe
Mkhwanazi, Z ANC (female)	Corporate Services <a href="mailto:zodwa.m@govanmbeki.gov.za">zodwa.m@govanmbeki.gov.za</a>	017 620 6070	Nohlanga James
Nkosi, N E ANC (female)	Environmental Affairs and Tourism <a href="mailto:ethel.n@govanmbeki.gov.za">ethel.n@govanmbeki.gov.za</a>	017 620 6169	Zanele Sibanyoni
Nkambule, F B ANC (male)	Health and Community Services <a href="mailto:freddy.n@govanmbeki.gov.za">freddy.n@govanmbeki.gov.za</a>	017 620 6205	Zandi Skhosana
Madonsela, A B ANC (female)	Public Safety <a href="mailto:annah.m@govanmbeki.gov.za">annah.m@govanmbeki.gov.za</a>	017 620 6151	Ntombi Mahlangu
Vilakazi, S ANC (male)	Technical and Engineering Services <a href="mailto:saul.v@govanmbeki.gov.za">saul.v@govanmbeki.gov.za</a>	017 620 6033	David Hlanze(Mokoena)

## WARD COUNCILLORS

COUNCILLOR	WARD	COUNCILLOR	WARD
Khanye N	Ward 01 Leandra ANC	Moekoa A	Ward 17 Evander ANC
Mabhena M	Ward 02 Leandra ANC	Harris JW	Ward 18 Evander DA
Mtsweni T P	Ward 03 Leandra ANC	Mtsweni T	Ward 19 Embalenhle ANC
Mtsweni E	Ward 04 Embalenhle ANC	Dyusha T	Ward 20 Embalenhle ANC
Taylor M	Ward 05 Secunda DA	Badenhorst H	Ward 21 Secunda DA
Nkambule F	Ward 06 Leandra ANC	Sethole Z	Ward 22 Bethal ANC
Gwiji C	Ward 07 Embalenhle ANC	Ndinisa B	Ward Cllr Bethal (W23) ANC
Buthelezi T	Ward 08 Embalenhle ANC	Masombuka PP	Ward 24 Bethal ANC
Mahlangu D	Ward 09 Embalenhle ANC	Victor N	Ward 25 Secunda DA
Tsotetsi T	Ward 10 Embalenhle ANC	Khumalo TG	Ward 26 Bethal ANC
Motaung Sithole A	Ward 11 Embalenhle	Madonsela E	Ward 27 Bethal

	ANC		ANC
Jele M	Ward 12 Embalenhle ANC	Van Baalen H	Ward 28 Bethal DA
Malinga M	Ward 13 Embalenhle ANC	Nhlapho J	Ward 29 Embalenhle ANC
Zulu B	Ward 14 Embalenhle ANC	Labuschagne P	Ward 30 Secunda DA
Mkoko P	Ward 15 Bethal ANC	Nkosi J	Ward 31 Embalenhle ANC
Vilakazi S	Ward 16 Kinross ANC		



## PROPORTIONAL COUNCILLORS

COUNCILLOR	POSITION	COUNCILLOR	POSITION
Nkosi P	Leandra ANC	Dhladhla J	Bethal DA
Ngxonono T	Secunda ANC	Mahlangu S	Secunda DA
Nkabinde M.A	Leandra ANC	Mlotshwa LT	Embalenhle DA
Mahlangu M	Secunda ANC	Mkwebane A	Embalenhle DA
Mkwanazi Z	Leandra ANC	Chabalala G	Bethal DA
Gwebu J	Embalenhle ANC	Pretorius Roelf	Secunda ID
Masina S	Bethal ANC	Raolane D	IFP
Van Zyl P.W	Evander ANC	Maseko S	HRCP
Dlamini DM	Bethal ANC	Jean-Pierre M	ACDP
Masilela J	Secunda ANC	Van Tonder D	FF+
Nicholas H	Kinross ANC	Hlatshwayo Z	Leandra PAC
Denny T	Secunda DA	Breedt C	FF+
Mtsweni O	Secunda ANC		

**GENERAL INFORMATION**

**GRADING OF LOCAL AUTHORITY**

**GRADE 4**

**AUDITORS**

**AUDITOR GENERAL**

**BANKERS**

**ABSA BANK**

**REGISTERED OFFICE**

**GOVAN MBEKI MUNICIPALITY  
CIVIC CENTRE  
LURGI SQUARE  
SECUNDA CBD  
SECUNDA  
2302**

**PRIVATE BAG X 1017  
SECUNDA  
2302**

**TELEPHONE**

**017 620 6000 (HEAD OFFICE)**

**FACSIMILE**

**017 634 8019**

**WEBSITE / E-MAIL**

**[www.govanmbeki.gov.za](http://www.govanmbeki.gov.za) / [gbrecords@govanmbeki.gov.za](mailto:gbrecords@govanmbeki.gov.za)**

**SENIOR MANAGEMENT**

NAME	DEPARTMENT	TELEPHONE	SECRETARY
Dr Mathunyane, LH	Municipal Manager <a href="mailto:office.mm@govanmbeki.gov.za">office.mm@govanmbeki.gov.za</a>	017 620 6279	Angelique Meyer
Mr Maseko, E N	Corporate Services <a href="mailto:elliott.m@govanmbeki.gov.za">elliott.m@govanmbeki.gov.za</a>	017 620 6003	Marie-Louise van Schaik
Mr Mnisi, F	Health and Community Services <a href="mailto:fanie.m@govanmbeki.gov.za">fanie.m@govanmbeki.gov.za</a>	017 620 6284	Nomkhosi Gumbi
Mr Muanza, E N	Technical and Engineering Services <a href="mailto:emmanuel.m@govanmbeki.gov.za">emmanuel.m@govanmbeki.gov.za</a>	017 620 6012	Patricia Sekeledi
M/s Zikalala, S S	Environmental Affairs and Tourism <a href="mailto:sibongile.z@govanmbeki.gov.za">sibongile.z@govanmbeki.gov.za</a>	017 620 6209	Marda van der Hoven
M/s Aphane, K	Public Safety <a href="mailto:kgomotso.a@govanmbeki.gov.za">kgomotso.a@govanmbeki.gov.za</a>	017 620 6166	Sibongile Mthimunye
Mrs Ndlovu, N	Chief Financial Officer <a href="mailto:noreen.n@govanmbeki.gov.za">noreen.n@govanmbeki.gov.za</a>	017 620 6274	Shona van Antwerpen

## **VISION**

**TO LEAD IN SERVICE DELIVERY AND  
ECONOMIC DEVELOPMENT**

## **MISSION**

**TO CHAMPION AN INTEGRATED SERVICE  
DELIVERY AND SUSTAINABLE ECONOMIC  
GROWTH WITH STAKEHOLDER  
INVOLVEMENT**

## **ACRONYMS**

<b>A-G</b>	<b>:</b>	<b>AUDITOR GENERAL</b>
<b>ACDP</b>	<b>:</b>	<b>AFRICAN CHRISTIAN DEMOCRATIC PARTY</b>
<b>ANC</b>	<b>:</b>	<b>AFRICAN NATIONAL CONGRESS</b>
<b>CEO</b>	<b>:</b>	<b>CHIEF EXECUTIVE OFFICER</b>
<b>CRR</b>	<b>:</b>	<b>CAPITAL REPLACEMENT RESERVE</b>
<b>DA</b>	<b>:</b>	<b>DEMOCRATIC ALLIANCE</b>
<b>DORA</b>	<b>:</b>	<b>DIVISION OF REVENUE ACT</b>
<b>DME</b>	<b>:</b>	<b>DEPARTMENT OF MINERALS AND ENERGY</b>
<b>DRP</b>	<b>:</b>	<b>DISASTER RECOVERY PLAN</b>
<b>DPLG</b>	<b>:</b>	<b>DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT</b>
<b>EMC</b>	<b>:</b>	<b>EXECUTIVE MAYORAL COMMITTEE</b>
<b>FFPLUS</b>	<b>:</b>	<b>FREEDOM FRONT PLUS</b>
<b>FMG</b>	<b>:</b>	<b>FINANCIAL MANAGEMENT GRANT</b>
<b>GAAP</b>	<b>:</b>	<b>GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>
<b>GAMAP</b>	<b>:</b>	<b>GENERAL ACCEPTED MUNICIPAL ACCOUNTING PRACTICE</b>
<b>GRAP</b>	<b>:</b>	<b>GENERALLY RECOGNISED ACCOUNTING PRACTICE</b>
<b>ICT</b>	<b>:</b>	<b>INCORMATION AND COMMUNICATION TECHNOLOGY</b>
<b>IFP</b>	<b>:</b>	<b>INKATHA FREEDOM PARTY</b>
<b>IT</b>	<b>:</b>	<b>INFORMATION TECHNOLOGY</b>
<b>LDM</b>	<b>:</b>	<b>LOCAL DISTRICT MUNICIPALITY</b>
<b>LED</b>	<b>:</b>	<b>LOCAL ECONOMIC DEVELOPMENT</b>
<b>MFMA</b>	<b>:</b>	<b>MUNICIPAL FINANCE MANAGEMENT ACT</b>
<b>MIG</b>	<b>:</b>	<b>MUNICIPAL INFRASTRUCTURE GRANT</b>
<b>MMC</b>	<b>:</b>	<b>MEMBER OF MAYORAL COMMITTEE</b>
<b>MSIG</b>	<b>:</b>	<b>MUNICIPAL SYSTEMS IMPROVEMENT GRANT</b>
<b>NHBRC</b>	<b>:</b>	<b>NATIONAL HOME BUILDERS REGULATING COUNCIL</b>

<b>OHASA</b>	<b>:</b>	<b>OCCUPATIONAL HEALTH AND SAFETY ACT</b>
<b>PAC</b>	<b>:</b>	<b>PAN AFRICAN CONGRESS</b>
<b>PAYE</b>	<b>:</b>	<b>PAY AS YOU EARN</b>
<b>PHP</b>	<b>:</b>	<b>PEOPLE'S HOUSING PROCESS</b>
<b>PMTCT</b>	<b>:</b>	<b>PREVENTION OF MOTHER TO CHILD TRANSMISSION</b>
<b>PR</b>	<b>:</b>	<b>PROPORTIONAL REPRESENTATIVE</b>
<b>REDS</b>	<b>:</b>	<b>REGIONAL ELECTRICITY DISTRIBUTION SUPPLIERS</b>
<b>SALGA</b>	<b>:</b>	<b>SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION</b>
<b>SCM</b>	<b>:</b>	<b>SUPPLY CHAIN MANAGEMENT</b>
<b>SDF</b>	<b>:</b>	<b>SPATIAL DEVELOPMENT FRAMEWORK</b>
<b>SEJACUFE</b>	<b>:</b>	<b>SECUNDA JAZZ AND CULTURAL FESTIVAL</b>
<b>SETA</b>	<b>:</b>	<b>SECTOR EDUCATION AND TRAINING AUTHORITY</b>
<b>STI's</b>	<b>:</b>	<b>SEXUALLY TRANSMITTED INFECTIONS / ILLNESSES</b>
<b>SPCA</b>	<b>:</b>	<b>SOUTH AFRICAN PREVENTION CRUELTY TO ANIMALS</b>

### **FOREWORD BY THE EXECUTIVE MAYOR:**



The 2009/2010 Annual Report aims to enhance governance and promote accountability. It forms part of a cycle of ongoing planning, monitoring and evaluation that begins with the formulation and annual review of the Integrated Development Plan. This in turn assists the municipality to craft its budget determinations and set targets for delivery.

It is a transparent account of the municipality's achievements in the year under review, but does not shy away from pointing out shortfalls in delivery where they exist. The report is published in terms of the requirements of the Municipal Finance Management Act No. 56 of 2003 which requires municipalities to report on all aspects of performance, providing a true, honest and accurate account of the goals set out by Council.

The process of compilation of annual report signifies this importance maxim of a people centered local government where municipalities are politically, morally and legally bound to account to its constituencies on service delivery and use of public resources. The Constitution of the Republic of South Africa, adopted in 1996, places certain obligatory requirements on the municipalities to fulfill and these include:

- ✓ ☐ Provision of democratic and accountable government
- ✓ ☐ Ensure the provision of services to communities in a sustainable manner
- ✓ ☐ Promote a safe and healthy environment
- ✓ ☐ Encourage the involvement of communities in the matters of local government

We recognize the significance of public participation and the impetus it brings to a developmental local government and good governance. In fulfilling this recognition, the municipality has in the year under review, traversed the length and breadth of the municipal area to solicit views and aspirations of local communities for inclusion in the IDP and budget.

Council continues to view the ward committee system as a critical link in promoting the involvement of communities in the affairs of the municipality. In this regard, we have in the financial year 2009/2010 provided capacity training programmes to equip ward committees with necessary skills to execute their responsibilities.

My office wishes to extend a word of appreciation to the MMCs, Councilors and the executive staff for their commitment during the year under review for providing collective and strategic leadership in ensuring that we met the targets set out in the Integrated Development Plan for the 2009/2010 budget under various challenges.

I thank you.

**FOREWORD BY THE MUNICIPAL MANAGER:**



The year 2009/2010 has been the most challenging for the local Sphere of government. The isolated service delivery protests have spurred local Municipalities to be vigilant to community needs and to even perform better than before. The development and implementation of a Turnaround Strategy (MTAS), which is informed by the Ten Point Plan for Local Government (2010 – 2014) of the Department of Cooperative Governance & Traditional Affairs.

This Annual Report seeks to draw attention of all stakeholders to take stock of the positive impact made through the implementation of quick win solutions, and the acceleration of essential municipal services delivery. It is therefore imperative that as partners, you are called upon to interact with this Annual Report, which is fundamental in the implementation, monitoring and evaluation of the successes of these intervention measures.

I would like to express my gratitude to the Executive Mayor for his stewardship during the year under review, and to all employees of the Municipality for their tremendous effort and dedication to the realization of the Municipality's objective.

I therefore present this 2009/2010 Annual Report

Regards

Dr L.H Mathunyane  
Municipal Manager

## **SECTION 2**

## PERFORMANCE HIGHLIGHTS

2.1	Water Backlog (6kl per month)	Required	Budgeted	Actual
2.1.1	Backlog to be eliminated (no. of households NOT receiving minimum standards of service)	1656	0	0
2.1.2	Backlog to be eliminated (percentage HH identified as backlog / total HH in the municipality)	2.4%	0	0

2.1.3	Total spending to eliminate backlogs (R'000)	0	0	0
2.1.4	Spending on maintenance to ensure no new backlogs are created (R'000)	R7, 000,000.00	R 3,775,000.00	R3,452,416.80
<b>2.2</b>	<b>Sanitation Backlog</b>	<b>Required</b>	<b>Budgeted</b>	<b>Actual</b>
2.2.1	Backlog to be eliminated (no. of households NOT receiving minimum standards of service)	3905	899	219
2.2.2	Backlog to be eliminated (percentage HH identified as backlog / total HH in the municipality)	5.6%	1.3%	0.3%
2.2.3	Total spending to eliminate backlogs (R'000)	R7 000 000.00	R1,900,000	R1,748,997.23
2.2.4	Spending on maintenance to ensure no new backlogs are created (R'000)	R8,000,000	R 4,717,540.00	R 4,401,025.02
<b>2.3</b>	<b>Electricity Backlog</b>	<b>Required</b>	<b>Budgeted</b>	<b>Actual</b>
2.3.1	Backlog to be eliminated (no. of households	4738	<b>1506</b>	<b>0</b>
2.3.2	Backlog to be eliminated (percentage HH identified as backlog/total HH in the municipality	6.8%	2.2%	0
2.3.3	Total spending to eliminate backlogs (R'000)	R 33,166,000	R 10,000,000	R 4,098,078.66
2.34	Spending on maintenance to ensure no new backlogs are created (R'000)			

**NB: Total number of households in GMM – 69 167**

# **DEPARTMENTAL REPORTS**

## **SECTION 3**

# CORPORATE SERVICES DEPARTMENT

## - ADMINISTRATION SERVICES -

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To promote sound	During 2009 Executive Mayor's Meetings	30	16	18	14	4	77.7%	Meetings were cancelled

and good governance	were held every fortnight and in 2010 monthly							
	During 2009 Council meetings were held quarterly and in 2010 monthly	10	6	8	6	2	75%	Meetings postponed
	Corporate Services Portfolio Committee meetings are scheduled and held monthly	13	7	11	9	3	81%	Meeting rescheduled due to lack of quorum
	Audit Committee meetings are scheduled and held quarterly	4	4	4	2	2	50%	Meetings did not take place due to the process of appointing new committee members
	Rules Committee meetings are scheduled and held on ad-hoc basis	0	4	1	0	1	100%	Meeting postponed due to the untimely passing away of a Ward Councilor
	Oversight Committee meetings are held on ad-hoc basis	0	5	7	7	0	0%	N/A
	Town Planning Committee Meetings are held on ad-hoc basis	0	5	1	1	0	0%	N/A
To ensure proper & efficient records and archive services	All mail (incoming & outgoing) is properly managed	Mail received 4454 -	Mail received 3852 Mail sent 4961	Not planned	Mail received 3470 Mail Sent 14111	N/A	N/A	N/A

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To support the public participation process in the Speakers' Office	All public participation meetings and consultations are organized on request from Speaker's Office	0	184	208	208	N/A	N/A	N/A

To supply reprographic service	Machines maintained continuously	0	49	50	50	0	0%	N/A
To ensure efficient telecommunications	Upgrade and overhaul of the telephone system for head office and regional offices	0	0	1 system, 14 installation points	Installation to 10 sites completed	4	71%	Evander delayed due to BRI not installed by Telkom  Secunda Fire Station delayed due to Disaster Management Unit's relocation  Embalenhle Library delayed due to new network installation and upgrade  Lebohang PABX installed but offices burnt down during community unrest
	Reduce telephone expenses	0	0	20% reduction	30% reduction achieved	N/A	10%	Implementation of call restriction increased savings by 10%

## **- HUMAN RESOURCES -**

### **EMPLOYEE RELATED COSTS**

	Council	Municipali Manager	Corporate	Finance	Health	Enviro Affairs & Tourism	Technical	Public Safety	Totals
Bonus	54,818	134,691	673,972	1,163,221	1,893,269	1,672,297	3,286,397	1,709,229	<b>10,587,894</b>

Standby Allowance	-	-	-	60,427	67,497	67,222	1,993,613	1,820,287	<b>4,009,046</b>
Medical Aid Contribution	87,755	264,722	779,466	1,363,456	1,955,123	1,571,840	2,825,676	2,239,130	<b>11,087,168</b>
Overtime	4,557	141,504	406,905	1,067,993	4,412,513	1,699,782	13,660,067	2,466,493	<b>23,859,814</b>
Pension Fund Contr	275,662	402,318	1,874,853	3,182,460	4,920,722	4,498,695	8,598,807	4,737,585	<b>28,491,102</b>
Uniforms	-	-	-	-	32,729	670	670	-	<b>34,069</b>
Salaries	1,474,874	1,812,289	9,119,321	15,470,581	22,523,412	20,789,554	39,573,802	22,112,228	<b>132,876,061</b>
NPA	477,587	476,816	2,187,217	3,868,598	6,035,649	5,366,536	10,755,190	5,715,915	<b>34,883,508</b>
Housing Subsidy	12,904	27,597	132,567	237,418	137,089	145,116	154,157	223,550	<b>1,070,398</b>
Housing Allowance	-	-	3,197	6,874	3,330	3,000	1,569	5,876	<b>23,846</b>
Group Pension Fund	11,621	35,318	136,902	256,077	324,567	226,305	529,691	352,865	<b>1,873,346</b>
UIF Contribution	7,171	18,942	85,123	174,585	305,297	263,053	561,664	251,863	<b>1,667,698</b>
Industrial Council Levy	124	626	2,718	5,101	12,584	11,387	16,527	8,092	<b>57,159</b>
Sell of Leave Days	40,262	31,864	435,289	493,211	815,583	527,226	-	434,069	<b>2,777,504</b>
Interest Subsidy	-	-	-	725	6,432	-	3,700	4,259	<b>15,116</b>
Travelling Allowances	396,457	221,615	1,100,381	681,752	1,381,716	729,719	1,956,297	3,642,800	<b>10,110,737</b>
Current Service Cos	-	2,445,035	-	-	-	-	-	-	<b>2,445,035</b>
Interest Cost	-	4,480,134	-	-	-	-	-	-	<b>4,480,134</b>
Actuarial Losses	-	2,836,863	-	-	-	-	-	-	<b>2,836,863</b>
<b>Totals</b>	<b>2,843,792</b>	<b>13,330,334</b>	<b>16,937,911</b>	<b>28,032,479</b>	<b>44,827,512</b>	<b>37,572,402</b>	<b>83,917,827</b>	<b>45,724,241</b>	<b>273,186,498</b>

## INDUSTRIAL RELATIONS

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To ensure that discipline is	All reported cases are heard	20 cases	7 cases	21 cases	9 cases heard and	0	0%	N/A



properly maintained across the organization	and dealt with accordingly	heard & sanctions imposed	heard & appropriate sanctions imposed	reported	the appropriate sanctions imposed  4 cases were dropped  2 cases were referred back for handling by the Department  6 cases were postponed			
To defend all labour disputes referred for external dispute resolution i.e. Conciliation and/or Arbitration at the South African Local Government Bargaining Council (SALGBC)	Reduce labour disputes	27 conciliation cases  6 arbitration cases	4 disputes settled	4 cases referred for conciliation  1 of the 4 referred for arbitration	3 cases awaiting outcome  1 case finalized in favour of the employer	3  0	75%  0%	N/A
To resolve all reported Labour Court cases	To resolve all matters	0	0	1 case	0	1	100%	Awaiting court hearing date
To create harmonious work environment between internal stakeholders for a conducive environment to attainment the objectives of the organization with less difficulties	Hold monthly Local Labour Forum meetings	9 meetings held	12	12	4	8	66.7%	Meetings not forming quorums and postponements requested in advance

### HUMAN RESOURCES POLICIES

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	

To develop Human Resource Policies	<p>The following Human Resource Policies were developed and reviewed:</p> <ol style="list-style-type: none"> <li>1. Recruitment &amp; Selection</li> <li>2. Employment Equity</li> <li>3. Leave</li> <li>4. Drug &amp; Substance Abuse</li> <li>5. Training &amp; Development</li> <li>6. Funeral Assistance</li> <li>7. Bursary</li> <li>8. Dress Code</li> <li>9. Talent &amp; Retention Strategy</li> <li>10. Internship &amp; Volunteer</li> <li>11. Disability</li> <li>12. Sexual Harassment</li> <li>13. Salaries &amp; Allowances</li> <li>14. Performance Management</li> <li>14. Employee Assistance Programme</li> </ol>	0	0	Review existing policies and develop new policies where none exist	<p>4 policies were approved by Council:</p> <ol style="list-style-type: none"> <li>1. Recruitment &amp; Selection</li> <li>2. Employment Equity</li> <li>3. Leave</li> <li>4. Drug &amp; Substance Abuse</li> </ol> <p>6 policies finalized and ready to be approved by Council</p> <p>2 policies to be reviewed</p> <p>2 new policies to be developed</p>	4	29%	<p>Research being done on Talent &amp; Retention Strategy</p> <p>Finance to be consulted on Salaries &amp; Allowance Policy</p>
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## INJURIES ON DUTY PER DEPARTMENT

INJURIES ON DUTY 2009/2010 (Per Department)													
DEPARTMENT	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL PER DEPT PER YEAR
CORPORATE SERVICES	0	0	0	0	0	0	0	0	0	0	0	0	0
FINANCE	0	0	0	0	2	0	0	0	1	0	0	0	3
HEALTH & COMMUNITY SERVICES	1	1	1	1	3	2	3	4	3	0	0	1	20
PUBLIC SAFETY	3	0	0	0	1	0	0	1	0	0	0	1	6
TECHNICAL & ENGINEERING	0	1	0	1	0	2	2	1	1	1	1	4	14
ENVIRONMENTAL AFFAIRS & TOURISM	0	2	0	1	1	0	1	0	1	1	0	0	7
TOTAL PER MONTH	4	4	1	3	7	4	6	6	6	2	1	6	48

**NOTE:** The total number of injuries on duty has declined from 73 in 2008/2009 to 48 for 2009/2010. This is a reduction of 21 cases. The reduction in injuries can be attributed to: training which was provided to safety representatives, the introduction of health & safety representatives for all departments and the overall organizational awareness with regard to compliance with the act.

#### DISCIPLINARY CASES

TOTAL CASES	OUTCOMES	
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21	: Dismissals	5
	: Suspended dismissals	4
	: Written warnings	4
	: Acquittals	0
	- Cases referred back to departments	2
	- Cases postponed for future dates	6

### SUMMARY OF EXITS

REASON	NUMBER	COMMENT
Retirements	26	<p>The reduction in exits of employees from 102 to 84 can be attributed to the following:</p> <ul style="list-style-type: none"> <li>• Better working conditions</li> <li>• Improved salaries / remuneration</li> <li>• Training of employees</li> </ul>
Deaths	30	
Dismissals	5	
Resignations	22	
Medical disability	1	
<b>TOTAL:</b>	84	

### EMPLOYMENT EQUITY REPORT

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	3				3				1		7
Senior management	18		1	3	5			1			28
Professionally qualified and experienced specialists and mid-management	40			9	32			26			107
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	75	1		31	52	9	7	38			213
Semi-skilled and discretionary decision making	207	1		12	174			10			404
Unskilled and defined decision making	451	1		2	253			2			709
<i>TOTAL PERMANENT</i>	794	3	1	57	519	9	7	77	1		1468
Temporary employees	46	1		4	69	2		5			127
<b>GRAND TOTAL</b>	840	4	1	61	588	11	7	82	1		1595

## WORKPLACE SKILL DEVELOPMENT AND TRAINING REPORT

SERVICE PROVIDER	TRAINING TYPE	DURATION	DATE	NUMBER OF PARTICIPANTS	AMOUNT	OTHER COST (Catering)	ACTUAL EXPENDITURE
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University of Pretoria	Municipal Finance Management Programme	8 months	03/06/09-19/02/2010	Three (3)			<b>Funded by National Treasurer</b>
Flour Daniels	Basic Electrical	85 days	01/07-30/10/2009	Nine (9)	<b>R224 000.00</b>		<b>R224 000.00</b>
Global Prospectus	Effective Asset Maintenance	2 days	01-02/07/2009	One (1)	<b>(R8 538.00 )</b>		<b>(R8 538.00)</b>
Lexis Nexis	Train the Trainer	5 days	13-17/07/2009	One (1)	<b>R7 774.80</b>		<b>R7 774.80</b>
Wits University	CPMD	5 days	20-24/07/2009	Three (3)	<b>National Treasury</b>		<b>National Treasurer</b>
DBSA	LGRC\LGNET	3 days	21-23/07/2009	Fourteen (14)	<b>DBSA</b>		<b>Funded by DBSA</b>
Harvard Training Institute	Government Policy Development and Implementation	3 days	22-24/07/2009	One (1)	<b>(R7 408.86 )</b>		<b>(R7 408.86)</b>
P2 Project Management Solution	Project Management	4 days	27-30/07/2009	Fifteen (15)	<b>DBSA \ Vulindlela Academy</b>		<b>DBSA\Vulindlela Academy</b>
Princely Knowledge Consulting	Human Resource, Labour Relations and Labour Law	3 days	29-31/07/2009	Six (6)	<b>(R51 000.00)</b>		<b>(R51 000.00)</b>
Ergo Water Works	Waste Water Treatment Plant	45 Days	01/08-02/10/2009	Ten (10)	<b>R104 880.00</b>	<b>R50 025.00</b>	<b>R154 905.00</b>
BH Services and Supply	Bricklaying	45 Days	01/08-02/10/2009	Eleven (11)	<b>R293 436.00</b>	<b>R49 725.00</b>	<b>R343 161.00</b>
KPL Corporate Training and Research	Strategic Recruitment and Selection	2 days	13-14/08/2009	Four (4)	<b>R16 826.40</b>		<b>R16 826.40</b>
PALAMA (State Agent)	Archives and Records Management	4 days	24-27/08/2009	Three (3)			<b>Funded by Dept. of Culture, Sport and Recreation</b>
Fast Fleet Couriers cc	Truck Mounted Crane	3 days	26-28/08/2009	Six (6)	<b>R39 521.52</b>	<b>R3 825.00</b>	<b>R43 346.52</b>
Premier Conferencing	Ground Water Management	2 days	9-10/09/2009	Two (2)	<b>R16 643.98</b>		<b>R16 643.98</b>

<b>SERVICE PROVIDER</b>	<b>TRAINING TYPE</b>	<b>DURATION</b>	<b>DATE</b>	<b>NUMBER OF PARTICIPANTS</b>	<b>AMOUNT</b>	<b>OTHER COST (Catering)</b>	<b>ACTUAL EXPENDITURE</b>
Global Conferences	Govtech	4 days	13-16/09/2009	Two (2)	<b>R10 000.00</b>		<b>R10 000.00</b>

Africa (PTY)Ltd							
Wits Language School	English Improvement Programme	25 days	29/09-04/12/2009	Twenty Four (24)	<b>R368 400.00</b>	<b>R60 225.00</b>	<b>R428 625.00</b>
Joshua West (Pty) Ltd	Maintenance of Circuit Breakers and Switchgear	3 days	30/09-01/10/2009	One (1)	<b>R6 282.60</b>		<b>R6 282.60</b>
Knowledge Base Sales (Pty) Ltd	Civil Designer	4 days	12-20/10/2009	Four (4)	<b>R52 117.20</b>		<b>R52 117.20</b>
Princely Knowledge Consulting	HR Management, Labour Relations & Labour Law	3 days	14-16/10/2009	Three (3)	<b>R17 000.00</b>		<b>R17 000.00</b>
University of Pretoria Trust	Disciplinary Enquiries at Workplace	3 days	14-16/10/2009	One (1)	<b>R2 200.00</b>	<b>R2 969.80</b>	<b>R5 169.80</b>
Fast Fleet	Occupational Hygiene Specialist	6 days	21-29/10/2009	Thirty Nine (39)	<b>R58 235.76</b>	<b>R10 530.00</b>	<b>R68 765.76</b>
Boydick Business Development	Minute Talking ( Ward Committee)	3 days	20-22/10/2009	Fifty Three (53)	<b>R94 085.35</b>	<b>R19 080.00</b>	<b>Funded by Office of the Speaker</b>
Boydick Business Development	PA and Secretarial	3 days	28-30/10/2009	Fifteen (15)	<b>R40 525.00</b>	<b>R6 375.00</b>	<b>R46 900.00</b>
Vilindlela Academy	Disciplinary Hearing	3 Days	11-12/11/2009	Three (3)			<b>Funded by SALGA</b>
PALAMA (State Agent)	Municipal Budget and Reporting Regulations	2 days	12-14/11/2009	Three (3)			<b>Funded by National Treasury</b>
Devein Heights Consultancy	Re-inventing Multishift	2 days	19-20/03/2009	Three (3)	<b>R23 940.00</b>		<b>R23 940.00</b>
Community Water Supply and Sanitation	Young Waters	2 days	19-20/01/2010	Two (2)	<b>R1 800.00</b>		<b>R1 800.00</b>
IMASA	Report Writing and Minute Taking	2 days	27-28/01/2010	Thirteen (13)	<b>R12 000.00</b>	<b>R2 500.00</b>	<b>R14 500.00</b>
Gamelihle Business Consulting	Contract Management	2 days	23-24/02/2010	Three (3)	<b>R21 542.58</b>		<b>R21 542.58</b>

<b>SERVICE PROVIDER</b>	<b>TRAINING TYPE</b>	<b>DURATION</b>	<b>DATE</b>	<b>NUMBER OF PARTICIPANTS</b>	<b>AMOUNT</b>	<b>OTHER COST (Catering)</b>	<b>ACTUAL EXPENDITURE</b>
University of Johannesburg	Local Government Certificate	9 months	09/03-28/10/2010	Three (3)	<b>Funded by SALGA</b>		<b>Funded by SALGA</b>

Nelson Mandela University	Land Use and Development	4 days	23-26/03/2010	Fifteen (15)	Funded by Vlissingen Municipality	R7 200.00	Funded by Vlissingen Municipality
Lexis Nexis	Examination & Questioning Technique	3 days	07-09/04/2010	One (1)	R7 869.00		R7 869.00
KPL Corporate Training & Research	AllyCAd Training	4 days	12-15/04/2010	Five (5)	R51 984.00		R51 984.00
BPM	Business Process Management	4 days	04-07/05/2010	One (1)	R11 398.86		R11 398.86
Fast Fleet Training	Health and Safety Training		10/05-11/06/2010				
Meridian Research Solution	Africa Human Resource Conference	3 days	12-14/05/2010	Six (6)	R54 720.00		R54 720.00
Pay-Day Software System Pty-Ltd	HR,Leave and Equity Module	4 days	18-20/05/2010	Eight (08)	R19 869.06		R19 869.06
Lexis Nexis	Investigate and Report Writing	3 days	26-28/05/2010	Two (02)	R14 164.96		R14 164.96
Fire Prevention Association of SA	Fire Investigation	4 days	01-04/06/2010	Five (05)	R24 937.50		R24 937.50
Fast Fleet Couriers	Health and Safety Training	8 days	11-21/05/2010	(259)	R202 044.48	R28 800.00	R230 844.48
BH Services & Supply cc	Health and Safety Training	8 days	25/05-04/06/2010	(168)	R204 516.00	R30 065.00	R234 581.00
PALAMA	Municipal Finance Interns Workshop	2 days	07-08/06/2010	Five (05)			Funded by National Treasury
Fire Prevention Association of SA	Advance Fire Prevention	10 days	05/15/07/2010	Three (03)	R29 925.00		R29 925.00
Wits University	CPMD	3 Months	02/08/-15/11/2010	Three (03)	R75 000.00		R75 000.00
<b>Total</b>					<b>R1 992 012.12</b>	<b>R252 239.80</b>	<b>R2 244 251.92</b>

### **- INFORMATION TECHNOLOGY SERVICES -**

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGETS	DEVIATION	REASON FOR DEVIATION
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		2007/8	2008/9	Target	Actual	Unit	%	
To ensure licensing of software	All Microsoft software licensed	388	360	400	377	23	58%	
	All antivirus packages licensed	0	150	400	200	200	50%	
	All backup software licensed	0	0	4	2	2	50%	
	All CAL licenses paid for	0	2	400	50	380	95%	
To link all libraries for ICT centers	ICT centre's accessible to the community.  Switch from manual to electronic library management system to improve library services and manage library assets better	0	3	4	4	0		
Improve municipal infrastructure telephone services: Modify the network IP-addressing module and setup PABX for the implementation of the new telephonic solutions	Assign IP's for PABX for, Secunda main offices, theatre, Stores offices, Lillian Ngoyi, Bethal main offices, Bethal Traffic, eMzinoni, Milan Park, Trichardt, Evander, Kinross offices, Thistle Grove and eMbalenhle offices	0	0	22	22	0		
Upgrade and redevelop the Municipal website and populate it with all compliance documents as well as Service delivery indicators	Web site made to be informative for all public participation programmes and annual budget, Report, valuation roll and tenders advertised on the website	0	2	1	1	0	0%	

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGETS	DEVIATION	REASON FOR DEVIATION
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		2007/8	2008/9	Target	Actual	Unit	%	
Upgrade cashiers computers for an improved consumer service	Procure and install 22 computers at the prepayment system vendor's expense as the contract has elapsed 3 years on a month to month basis	0	0	22	22	0	0%	N/A
To establish a security and virus- free network	Procure a new antivirus program and install it on all municipal computer sites	0	1	4	4	0	0%	N/A
Link all municipal offices to the main office in order to provide the same technology solutions in all municipal offices	Install new network to link Lillian Ngoyi Center and Speakers Office in Bethal	0	0	2	2	0	0%	N/A
Important note: The software licensing budget needs to be increased to make it possible for the IT Section to archive the desired results.								

**- LEGAL AND PROPERTIES SERVICES -**

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To ensure implementation of the general municipal valuations in terms of MPRA for the period 2008 – 2012	To finalize al appeals in terms of MPRA	0	0	147	147	0	0%	N/A
To ensure that supplementary valuations are carried out in terms of the MPRA	Provisional supplementary Valuation Roll 2008/9 in terms of MPRA	2449	2638	2638	3660	0	0%	38.7%
Ensure alienation of municipal property takes place	Alienation of municipal properties	314	304	Not predetermined	89	0	0%	N/A
To ensure proper handling of cases and protection of Council's interest	Cases successfully defended	51	59	Not predetermined	59	0	0%	N/A
To ensure drafting and management of contracts	Contracts drafted to safeguarded municipal interests	143	134	Not predetermined	103	0	0%	N/A

## SECTION 4

# **TECHNICAL AND ENGINEERING DEPARTMENT**

**WATER AND SEWER**

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
Conversion of VIP Toilets in eMzinoni ext 4, 5&6	To construct Waterborne Sewer ( 1367 stands)	0	0	1367	0	1367	100%	
Rectification of sewer network in Emba ext 22 as per the recommendation of the s106 (MSA) forensic investigation	Installation of 110mm dia sewerlines	0	0	1153m	1153m	0	0%	
	Installation of 160mm dia sewerlines	0	0	6267m	1125m	5142	82%	
	Installation of 250mm dia sewerlines	0	0	1620m	160m	1460m	90%	
	Manholes (remove & replace same materials)	0	0	222	26	196	88%	
	Manholes (remove & install new materials)	0	0	35	11	24	69%	
	Cleaning	0	0	16500	3570	12930	78%	
Conversion of VIP in Kinross ext 25	To construct Waterborne Sewer ( 775stands)	0	419	775	0	775	100%	
Provision of waterborne sanitation in Thambo	To construct Waterborne Sewer (495 stands )	0	0	495	0	495	100%	
Provision of waterborne sanitation in Embalenhle ext 00	To construct Waterborne Sewer ( 147 stands)	0	0	147	140	7	4.8%	

Refurbishment of Evander WWTP	Replace mechanical equipments	0	0	1	1	-	-	
Refurbishment of Bethal WWTP	Replace mechanical & electrical equipments	0	0	1	1	-	-	
To provide VIP toilets in rural area	To install VIP toilets in rural area ( 299 VIP)	0	90	299	332	33	11%	
Construction of reservoir in Embalenhle	To construct 10Ml Reservoir	0	0	1	1	-	-	
Refurbishment of Booster pump station in Embalenhle Ext 12	Operational Booster pump station	0	11	1	0	1	100%	

## ELECTRICITY SECTION

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		
		2007/8	2008/9	Target	Actual	Unit	%	

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		
		2007/8	2008/9	Target	Actual	Unit	%	
To electrify houses in Kinross	To install new electricity network in and Kinross Ext 21	0	0	139	75	64	46%	
To electrify houses in eMzinoni EXT.13	To install new electricity network in eMzinoni Ext 13	0	0	314	108	206	65,6%	
To provide public lighting in Zone 3	To install high masts in eMbalenhle(6) and Charl Cilliers (1)	0	0	7	7	0	0	

### PHYSICAL DEVELOPMENT AND PUBLIC WORKS

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
PHYSICAL DEVELOPMENT								
Land Surveyor Fees: Rectifying stand pegs Emzinoni, Emba, Lebohang	Identify stands to be subdivided. Request a quotation from the appointed Land Surveyor. Submission of subdivision application to applicant	0	0	Subdivide and transfer stands to beneficiaries	0	0	0%	
New Land Use Management Scheme (LUMS)	Council approval of new LUMS	0	1	Implement new LUMS	Final LUMS document approved by Council	0	0%	

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To control illegal land use by inspection in all towns	Land use Control by serving transgressors with Notices	572	60417	78817 Inspections	54551 Inspections	24266	30.8%	
Finalization of outstanding Township Establishments	Property ownership for the community	0	0	Stands transferred to beneficiaries Emzinoni extension 10 & 11	Application for Emzinoni Extension 10 is approved by the municipality	1	50%	
Physical Planning application	Update registers	0	0	Record statistical data of all applications in a register	185 Planning applications registered.	-	-	
Income from planning applications	Planning Application Fees	0	0	R 460,848.00	R324,308.00	R136,540	29.6%	
Educating Public on Town Planning	To inform Public through brochures, pamphlets, and participation in yearly Masakhane week.	0	0	Informed public on town planning legislation and requirements	Better understanding of Land Use Planning and Control by Public	-	-	
To have Building Regulation& Building Standards Act enforced	To evaluate and approve building plans	0	0	Needs dependent	<b>606</b>	0	-	

PUBLIC WORKS								



To maintain paved roads		4000 m2 patched done	3000 KM	To patch and renovate paved roads	15000 m <sup>2</sup>	18379.72 m <sup>2</sup>	3,379.7 2	22%
To maintain gravel roads		172 KM re- graveled	262 KM re- graveled	To grade an re- gravel gravel roads	350,000 m	452 565.3 m	102,565	29%
To ensure that storm water systems are maintained		111,344 m	53,928 m	Maintenance of Storm water System	Channels:1200 0 Pipes:20 000 Catchpits:1000	Channels: 12140m Pipes:192 40m Catchpits: 1056	140 760 56	1% 3.8% 5%
To ensure that paved roads are constructed		0	0	Construction of new paved roads	2.060km • Emzinoni ext-5 road:480m • Emzi noni ext-4 road:600m • Emba lenhle ext- 15 road:600m • Lebo hang ext- 09 road:380m	2,060 km	0	0%

BUILDING CONTROL AND OTHER INCOME								
To generate income from building activities and		0	R 689,412.55	To generate income fro	R 1,260,000.00	1,195,147.26	R 64,852.38	6%

application fees				building plans approval				
To generate income from building activities and application fees		0	R3,519	To collect sidewalk hiring fees	R 90,000.00	R 68,004.14	R 21,995.86	24%
To generate income from building activities and application fees		0	R60,649	To collect outdoor advertising fees	R 170,000.00	R 144,8000.27	R 25,199.73	15%
To generate income from building activities and application fees		0	R3,855	To collect income from other rental				
To generate income from building activities and application fees		0	R39,332	To collect income from incidents	R 8,000.00	R 3,861.16	R 4,138.84	48%
<b>BULDING MAINTENANCE</b>								
To maintain Council buildings	To perform repair works on Council buildings	0	49	To perform repair works on Council buildings	55	54	1	2%
To maintain implement and equipment of building sections	To restore the conditions of implements and equipments	0	48	To restore the conditions of implements and equipments	Depend on actual need	45	0	0%

## SECTION 5

# **ENVIRONMENTAL AFFAIRS & TOURISM DEPARTMENT**

**LIBRARIES & INFORMATION SERVICES SECTION**

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To provide Information Services	Membership of 11 libraries captured on database	32,990	15,000	32,990	10384	22,606	68.5*	
To increase the use of Library Material	Library material internally used in the 11 libraries of GMM	559,700	439,304	575,000	463,567	111,433	19.4**	
	Library material borrowed in the 11 libraries of GMM	412,000	378,460	380,000	215,310	164,690	43.33***	
To provide Library Resources	Library material in different formats made available to end-users in the 11 libraries of GMM	240,000	245,000	250,000	248,359	1,641	0.66****	
To improve ICT infrastructure	Receive a conditional grant from DCSR for maintenance of computers and computer equipment, upgrade of software, internet connection fees, payment of licences, buying consumables (e.g. printer cartridges, barcode labels etc) and enroll a institutions to train staff to become computer literate).	0	11 libraries	R550,000	R375,966.50	R174,033.50	31.64**** *	

Note on deviation:

\* With the new computerized library system it is possible to get a more truthful reflection of the actual number of active library members. The memberships of non-active members who have not renewed their membership have been cancelled and their deposits forfeited which resulted in the low membership figure above.

\*\* The process of making new books available to the libraries by Mpumalanga Provincial Library and Information Services is very slow. Books selected in June 2009 have not been received yet. There can be various reasons for this (lack of staff, skills, etc). They are currently looking at decentralizing the book selection process which hopefully would be a better solution. To build up an up-to-date stock will take some time as there is a huge backlog to catch up. There was no book selection in 2010 because the Mpumalanga Provincial library is buying for new and upgraded libraries.

\*\*\* This could probably be attributed to the closure of Libraries due to Municipal strike and the 2010 FIFA World Cup. Also, Lebohang and Emzinoni libraries are currently closed due to the service delivery protests in the area and upgrading respectively.

\*\*\*\*\* The Grant money will no longer be deposited into the Municipal accounts from the 2010/2011 financial year. We need to pay service providers to establish and maintain computer and internet services in libraries.

## ENVIRONMENTAL AFFAIRS & PARKS

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To fence off cemeteries	Permanent fencing erected	0	539	3	3	1	0%	
To develop horticulture	New flower beds created	0	1	3	0	1	100% *	
To assist with environmental awareness	Events arranged	1	0	1	0	1	100%	
	Events attended/assisted	3	3	2	2	0	0%	
To develop cemeteries	Graves provided and cemeteries maintained	0	476	Dependent on demand	-	-	-	
	Upgraded cemeteries (roads)	0	0	1	0	1	100% *	
To maintain a clean and healthy environment	Adhered to grass cutting schedule	2	3	4 (cycles per annum)	4	4	0%	
To develop and maintain sports facilities	Upgraded existing sports facilities	1	1	2	1	1	50% *	
To develop regional parks	Used funds available for regional park development	0	0	1	0	1	100%	
Note on deviations:								
* Special Projects funded under the mayoral discretionary vote.								

## FACILITIES

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	

To maintain facilities	Marketing brochures of facilities distributed	1000	0	1000	1000	0	100%	
To improve income	Increase income July 2009 – June 2010	R1,320,189	R600,000	R1,200,000	R1,402,805	R202,805	14.5%	

## TOURISM

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To market tourism in the region	Exhibitions held	4	6	6	6	0	0%	
	Brochures printed and distributed	2000	5000	5000	5000	0	0%	
	Participated in national exhibition events	2	2	2	2	0	0%	
To promote local tours	Visits organized for learners	1000	1000	1000	1000	0	0%	
To promote Bethal Museum	Visits organized for learners	500	500	500	500	0	0%	



## **SECTION 6**

**DEPARTMENT  
PUBLIC SAFETY**



MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	TARGET	ACTUAL	UNIT	%	
To render fire, rescue, disaster management and related communication service	Number of fire and rescue incidents attended	1421	587	Depending on the number of incidents reported	971	0	0	
	Number of fire apparatus serviced	199	440	Depending on the no of apparatus that needed service	92	0	0	
	Number of emergency complaints received	1421	587	Depending on the number of incidents reported	971	0	0	
	Number of disaster related incidents attended	3	2	Depending on the no of incidents reported	3	0	0	
	No. of Inspections	87	68	Depending on the needs	90	0	0	



MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	TARGET	ACTUAL	UNIT	%	
To render a traffic and road safety service	No. of cases reported and captured	-	501	Depending on the number of transgressions identified	34900	0	0	
	No. of transport forums meetings held	12	4	12	6	6	50	
	No of vehicles inspected	27985	37685	2000	53000	51000	2250	
	No of vehicles discontinued	18	25	500	520	20	4	
	No of warrants of arrest executed	3916	3093	3500	349	3151	90	
Notes for deviation: <ul style="list-style-type: none"> <li>Meeting for transport forum did not form a Quorum.</li> <li>Embarked on a roadworthiness special project hence the deviation.</li> <li>Most offenders are outside Mpumalanga Province and can not be traced.</li> </ul>								

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	TARGET	ACTUAL	UNIT	%	

To render mechanical service for Council Fleet and equipments	No. of vehicles repaired	761	935	Depending on the needs	898	0	0	
	Number of vehicles restored	761	56	Depending on the needs	0	0	0	
	No. of vehicles serviced	254	173	450	228	222	49	
	No of tyres repaired	1368	1111	Depending on the damages reported	966	0	0	
	No of tyres replaced	467	293	Depending on the needs	283	0	0	
<i>Notes on deviation:</i> <ul style="list-style-type: none"> <li>• Most vehicles came for repairs instead of service, hence the deviation.</li> <li>• Most of the vehicles are more than 15- years in service, hence the regular breakdowns.</li> </ul>								

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	TARGET	ACTUAL	UNIT	%	
To render public safety awareness campaigns to the community	No of campaigns held	-	23	6	8	2	33.3	
To render social crime prevention services	No of social crime prevention	8	10	12	8	4	33.3	

	campaigns							
	No of community forum meetings held	-	6	12	9	3	25	
To address unemployment through expanded public works program	No of employees appointed	-	-	40	40	0	0	
To empower youth through community programs	No of youth appointed	-	1	3	4	1	33.3	
Notes for deviation: <ul style="list-style-type: none"> <li>• Campaigns postponed due to poor attendance</li> <li>• Shortage of personnel.</li> <li>• Community forum meeting postponed due to poor attendance</li> <li>• There is more interest from the youth in terms of traffic law enforcement</li> </ul>								

MEASURABLE OBJECTIVES	PERFORMANCE MEASURE	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	TARGET	ACTUAL	UNIT	%	
To manage the development of personnel	No of personnel trained	38	32	Depending on the need	37	0	0	
To ensure filling of vacancies	No of employees appointed	12	18	Depending on the need	8	0	0	
To conduct investigations of internal cases	No of cases investigated	20	26	Depending on the number of cases report	18	0	0	
To oversee and monitor outsourced	No. of meetings held	9	12	12	8	4	33	



## **SECTION 7**

**DEPARTMENT  
HEALTH AND COMMUNITY SERVICES**

## SOLID WASTE MANAGEMENT

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
Render refuse removal/ cleansing services	Remove refuse according to schedule	0	0	69169 properties	61318 properties	7851	12	
	Improve the supply of refuse receptacles	0	0	160 Bins	165 Bins	5	3	
Waste Minimization	Establishment & Sustainability of waste forums	4	12	15 waste forums & 1 recyclers forum	10 waste forums 1 recyclers forum	5	45	
	Conducting the Cleanest Ward Competition	31 wards	31 wards	31 wards	31 Wards	-	-	
	To win the provincial & national Cleanest Town Competition	1 <sup>st</sup> prize	3 <sup>rd</sup> prize	2	0	2	100	
	Establishment of a buy back centre in Embalenhle	0	0	1	0	1	100	
Waste disposal	Establishment/ Construction of transfer station in Kinross	0	0	1	0	1	100	
	Fencing of Secunda landfill site	0	0	1	1	0	0	



**Reasons for deviation:**

- Old fleet, Downtime on refuse removal vehicles
- 5 extra bins purchased and distributed
- Lack of participation by community members
- Land privately owned. Engagements held with owner to donate the land. Delays In submitting building plans. Buyisa e-bag Received funding from National DEAT in March 2010

## PRIMARY HEALTH CARE SERVICES

OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To diagnose and manage conditions promptly	Total blood pressure checking done	136 007	136 007	Dependin g on the number of visits in the clinics	104428	0	0	
	Total new hypertensive cases diagnosed	0	0		853	0	0	
	Total new diabetic cases diagnosed	0	0		136	0	0	
	Total clients weighed	153 247	801		145426	0	0	
	Total pap smear done	991	1078		739	0	0	
	Total health talks given	156 480	810		778	0	0	
	Chronic patients attended	156 480	44 978		35448	0	0	
	Total newly diagnosed TB cases	0	0		550	0	0	
	Psychiatric patients attended	0	0		437	0	0	
To cure 85% TB smear positive cases	Total number of TB patients cured/completed treatment	0	0	Dependin g on the number	289	0	0	

OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
	Total number of TB contact cases on prophylactic treatment	393	864	of visits to the Clinics (Need driven)	160	0	0	
To effectively treat all STI'S and their contacts	Total STI treated	5 576	3 444		2439	0	0	
	Total STI treated	2 820	511		2505	0	0	
To immunize children (0-5 ages)	0-12 months immunized	17 515	17 108		17532	0	0	
	13-60 months immunized	0	0		23466	0	0	
To promote HIV/AIDS awareness	PMTCT programme	4 831	6 771		1546	0	0	
		0	0		664	0	0	
	Ante Natal cases on Nevirapine	0	0					
	CCVT	0	0		3502	0	0	
	CCVT positive	0	0		1383	0	0	
To diagnose clients who are malnourished.	Total new adult malnourished cases	472	801		486	0	0	
	Total new malnourished babies	0	0		343	0	0	
To provide family planning service to women of child bearing age	Depo Provera provided	34 425	47 921		12510	0	0	
	Nur Isterate provided	0	0		13890	0	0	
	Oral pills provided	0	0		10161	0	0	
To render Ante Natal and Post Natal care	Total Ante natal care cases attended	10 707	11 284		7728	0	0	



sector departments.

- Tele- centre not fully- functional, reason being it to be outsourced as an LED project.

## MUNICIPAL HEALTH SERVICES

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
Water Quality Monitoring	Take samples to ensure drinking water complies with standards (SABS)	143	204	204	101	101	50	
	Milk samples complies with SABS standards	0	38	38	26	26	68	
Food Control	Conduct Premises inspections to ensure compliance with legislation	2 102	629	629	601	601	96	
	Take food samples to ensure compliance with legislation	18	12	30	26	26	87	
Complaints	No of community complaints attended	0	43	All reported complaints	77	77	100	
Provision of permits and licenses for business purposes	No of permits/licenses issued	100	102	102	68	68	67	

Provision of certificates for food, business and pre-school institutions.	No of certificates issued to premises	148	36	All complying premises	15	15	100	
Informal trading Control	Provision of Structures in different towns/areas	0	3	18	18	18	100	
	No of illegal traders	42	0					
Air Quality Management	Attend Air Quality Officers Forum Meeting	1	3	All meetings invited to	27	27	100	
	Auditing of Petrochemical Industries	1	1	01	0	0	0	
Vector Control	Spraying,	67	13	192	165	165	86	
	fumigation	0	0	All reported complaints	99	99	100	
Law Enforcement	Development of Draft Public Health By- Laws	0	0					
Injuries on duty	Injuries on duty reported and processed.	116	18	All injuries reported	39	39	100	
Send employees for medical examination	Employees from Water and Sewer, Public Safety and Clinics sent for medical testing.	70	87	All employees	87	87	0	
Monitoring of external contractors on GMM projects. Health Promotion	Contractor sites visited.	0	17	All contractors appointed	56	56	100	
	Meetings attended.	0	22	All meetings arranged	22	22	100	
	Health education and training provided	0	0	21	17	17	81	

<b>Reasons for deviation:</b> <b>Shortage of personnel, devolution</b>								

HOUSING SERVICES								
MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To create transversal waiting list for the municipality.	Total number of potential beneficiaries captured for housing need.	92	129	Ongoing study on housing need	25 303	0	0	
To provide shelter for disaster affected communities	Emergency/ disaster management subsidies approved by Province	0	0	86	86	0	0	
To acquire land for housing development	Identification of suitable land for housing delivery (Green field / Social housing / Low Cost)	0	4 areas i.e. Kinross X9 eMba X10  Evander X5  Bethal X13	Kinross X 9-1000  eMzinoni X 6/7/8/9 – 1263  eMzinoni X3 59  Emba X 10 – 432  Bethal X13 521	1 000  1 263  432			
To facilitate development of	Number of houses allocated from the	192	37	100	100	0	0	

PHP Houses	province to the municipality							
To facilitate and finalize all developer-driven projects (Project-linked subsidies)	Identification and approval of potential beneficiaries for project-linked subsidies	4 555	2 854	4133	3322	811	19	
To facilitate hostel redevelopment programme in Bethal	Identification and appointment of consultants by the Province	0	174 units	176 units	32 units	144	81.8	
<b>Reasons for deviation:</b> <ul style="list-style-type: none"> <li>• The subsidy allocated for the 131 units not sufficient to pay sub-contractors to construction these units which are backdated 2000/2001 fiscal period.</li> <li>• The role of Municipality on Project Linked units is that of monitoring as well as recommending to the department of Human Settlement, we have recommended a reduction of scope of work for Golden Nest project which was approved in 2000/01 fiscal period, and still waiting for a replacement contractor to be appointed. The hostel redevelopment is a two year project which is targeted for completion in March 2011</li> </ul>								

## SECTION 8

**IDP, LED, MARKETING AND COMMUNICATION  
UNITS**



### Integrated Development Plan

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	Target	Actual	Unit	%	
To guide integrated planning for council.	To have all departmental plans aligned to the IDP & Budget	0	6	6	6	0	0	
To align planning across the spheres of government.	Participation in the District and Provincial Planning Forums	3	3	3	4	1	25+	An unplanned meeting was scheduled to consider ward based planning methodology within the province
To provide for a joint planning platform with the three mining houses operational within the municipality.	Increased Corporate Social Investment within the Communities, and LED projects that are funded through Social Labour Plans	2	3	3	10	7	70+	



## LOCAL ECONOMIC DEVELOPMENT SERVICES

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE/SERVICE DELIVERY INDICATOR	PERFORMANCE TARGETS				DEVIATION FROM TARGET		REASON FOR DEVIATION
		2007/8	2008/9	TARGET	ACTUAL	UNIT	%	
To adopt the LED strategy	Strategy document approved and adopted by council	0	1	1	1	1	0	-
To implement projects and programmes from the LED strategy	Implementation of the following projects as identified and supported by the LED forum: <ul style="list-style-type: none"> <li>• Identification and assessment of economic opportunities in mining, manufacturing and agriculture</li> <li>• Research study to determine size and scope of local SMME</li> <li>• Capacity building for SMME</li> <li>• Development of a one stop information centre for SMME</li> </ul>	0	0	4	0	4	100	Insufficient budget
To promote development of	No of cooperatives registered by CIPRO	Need dependant	Need dependant	7	7	0	0	-

cooperatives								
To provide capacity to SMME and cooperatives	No of trainings provided	Need dependant	Need dependant	7	2	5	72	Dependant to the schedule of Small Enterprise Development Agency (SEDA)

To drive the implementation of all social and labour plan projects of all the mining houses	Facilitate the identification of land for project location	0	0	05	05	0	0	-
To implement the agro-based LED model as adopted by council	Facilitate land applications from commodity groups and emerging farmers and entrepreneurs through the commonage policy	Need dependant	Need dependant	Need dependant	05	0	0	-
To provide market stalls for hawkers	No of stalls built	0	Budget dependant(from stakeholders)	Budget dependant	18	0	0	-
To coordinate the LED forum	No of meeting	10	10	11	07	04	35	Poor attendance by stakeholders
To promote public private partnership	No of facilitated linkages between local business and private sector including other government institutions	0	0	Need dependant	08	0	0	-
Staffing the LED office	No of people employed in the office	0	0	03	01	02	66	Approval of the

								organogram
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## MARKETING AND COMMUNICATIONS UNIT

MEASURABLE OBJECTIVE	PERFORMANCE MEASURE / SERVICE DELIVERY INDICATORS	PERFORMANCE TARGETS				DEVIATION FROM TARGET	
		2007/8	2008/9	Target	Actual	Unit	%
To improve external and internal communication.	Submit media releases to various local media.	45	45	45	45	1	0
	To develop, design and print newsletters	2	2	4	3		75
	To place information on notice boards for staff.	0	0	Not planned	20		0
To market and create a brand for Govan Mbeki Municipality	Procure branding material popularizing our vision, mission and core values.	3	3	3	2	1	33.3
To communicate messages of service delivery.	Submit articles and broadcast information to media.	40	40	40	40	1	0
To improve existing relationships with the Local Print Media	Regular interaction with local media through media networking session.	3	3	3	3	1	0

To have Local Communication Forum meetings	To ensure that the forum meets.	4	4	04	02	2	50
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**SECTION 9**

**FINANCE**

Measurable Objectives	Performance Measure Service Delivery Indicators	Performance Targets		Deviation from Target		REASON FOR DEVIATION
		Target	Actual	Unit	%	
To improve pay-point management and Customer Care    To provide a safe and secure environment for cash collection	1 pay point renovated	Approval of the plan and appointment of a contractor.	Plan modified, and advertised for a contractor		0%	Awaiting for technical services, provided for in the next budget   To be implemented in the new year.  Awaiting for specs from technical services.
	1 office partitioned	Appointment of a contractor	completed		100%	
	Complaints system in place	Finalize specs and get quotes	Bids to be invited		0%	
	2 Strong rooms built	Finalize specs and advertise	Not done		0%	
To support and protect the poor and HDIs	17 000 households subsidized monthly	<i>Monthly</i>	<i>18714 are on the data base</i>		<i>100%</i>	
	50% of Local suppliers supported	<i>Monthly</i>	<i>50% of local suppliers are supported 10% of qualifying women were awarded tenders</i>		<i>50%</i>	
To provide efficient systems in order to improve service delivery	Upgraded / new server`	Benchmarking with other municipalities	Completed		100%	
	5 computers	Award contract to	Completed		100%	

Measurable Objectives	Performance Measure Service Delivery Indicators	Performance Targets		Deviation from Target		REASON FOR DEVIATION
		Target	Actual	Unit	%	
		service providers				
To improve the effectiveness and efficiency of the Supply Chain Management Unit and Bid Committees	Adopted revised SCM Policy	Finalize gap analysis	Gap analysis reported submitted by the service provider.		100%	
	40 officials trained	Training of staff.	Ad-hoc training provided.			
	Approved SCM structure	Final gaps analysis report	Gap Analysis report finalized.			
	Compliant Supplier Database	Benchmarking with other municipalities	Designed specs as per recommendations			
To encourage public participation in decision making	4 meetings convened	planning	0% . Public participation to be conducted in April/ May 2010		0%	
To obtain an unqualified Audit Report	Clean Audit report	Final audit report	Draft audit report issues AG waiting for the annual report to issue a final report.		100%	Risk Officer appointed in 2010/11
	Risk Management Register	Approval of internal audit plan by portfolio comm. And council	Plan approved by portfolio. Will be submitted to council in January		0%	
	Implementation plan	Awaiting the management report and audit report	Cleared all outstanding issues on the management report and received draft audit report Internal audit plan to be approved by council on 27 Jan 2010		60%	Internal Auditor appointed in 2010/11
	Implementation register	Awaiting approval of				

Measurable Objectives	Performance Measure Service Delivery Indicators	Performance Targets		Deviation from Target		REASON FOR DEVIATION
		Target	Actual	Unit	%	
		audit plan by council				
To improve financial planning , accountability and good administration	12 monthly report submitted	October to December reports	100% 12r monthly reports compiled and submitted.		1000%	
	4 quarterly reports submitted	2 <sup>nd</sup> quarter report to council and national treasury.	Quarterly tabled to council and portfolio		100%	
	Approved Adjustment Budget	Approval of budget adjustment	Completed		100%	
	AFS submitted to AG	Final audit report	Completed		100%	
	12 Bank Reconciliation Statements		Completed		0%	

Measurable Objectives	Performance Measure Service Delivery Indicators	Performance Targets		Deviation from Target		REASON FOR DEVIATION
		Target	Actual	Unit	%	
To develop a financial framework to give effect to the IDP and within which council can operate	• Approved Budget Time Table		100% complete		100%	
	• Draft budget submitted to council		Completed		100%	
	• Approved Budget		Completed		100%	
	• Approved SDBIP		Completed		100%	
To improve Fixed Asset Management	Approved Asset Management Policy	Asset management policy	Completed		100%	
	20 officials trained	Training of staff	0%. Dependent on the approval of policy		0%	
	GRAP compliant Fixed Asset Register	Final asset register	Senior staff within finance attended training.		40%	
	Updated Fixed Asset Register	Monthly	Assets purchased are captured on Excel till the new system is implemented 0%		0%	
	GRAP Compliant system in place	Design spec	Identified gaps. 100%		0%	
	Up to date insurance policy	Planning	100%		0%	
	100% submission to insurers	Daily			0%	



Measurable Objectives	Performance Measure Service Delivery Indicators	Performance Targets		Deviation from Target		REASON FOR DEVIATION
		Target	Actual	Unit	%	
	4 reports submitted to council	Monthly				
To manage and monitor the budget and expenditure to improve service delivery	95% of orders issued Within 5 days	Daily	100%		100%	Dependent on cash flow
	100 % creditors paid	Daily	100%		80%	
	100% requisitions captured in the financial system and issued within 30 minutes	Implementation of recommendations	100%		100%	
	100% requisitions captured in the financial system and issued within 30 minutes	Monthly	100%		100%	
	100% salary payments	Monthly	100%		100%	
To improve revenue management to achieve 100% performance	90% Accurate accounts	Monthly	85%		100%	
	100% revenue performance	Advertise and award contract	0%. Tender not yet finalized		0%	
	Service Level Agreement	Monthly	100%		0%	
	Monthly billing on 20th	Monthly	0%. Still finalizing specs		0%	
	Service level agreement	monthly	100%		0%	
	100% revenue performance		Not due yet		0%	
	Updated policy and by-law adopted by Council					
To improve Credit control & Debt collection to achieve 100% collection rate	Average payment level of 90%	Approval of strategy	Not yet adopted Attorneys still collecting on behalf of Municipality		0%	
	Debt collection system in place	Specs, advertise	benchmarking		0%	
	System in place	Implementation	0%.Work in		0%	

Measurable Objectives	Performance Measure Service Delivery Indicators	Performance Targets		Deviation from Target		REASON FOR DEVIATION
		Target	Actual	Unit	%	
	Debtors turnover rate reduced by 10%	Implementation of debt collection	progress 0%, dependent on approval of debt collection strategy		0%	
	Improve payment rate by 12%	monthly	Collection rate improved to 96% in Nov and dropped now in December to 73%		0%	
	Revised policy and bylaws adopted by Council		0% not yet due		0%	

## **SECTION 10**

# **THE AUDITOR GENERAL'S REPORT**

**&**

**2009/10 ANNUAL FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 30 JUNE 2010**

# **AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE MPUMALANGA LEGISLATURE AND THE COUNCIL ON THE GOVAN MBEKI LOCAL MUNICIPALITY**

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

I have audited the accompanying financial statements of the Govan Mbeki Local Municipality, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages xx to xx.

### **Accounting officer's responsibility for the financial statements**

The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor-General's responsibility**

As required by section 188 of the Constitution of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Govan Mbeki Local Municipality as at 30 June 2010, and its financial performance and its cash flows for the year then ended, in accordance with the SA Standards of GRAP and in the manner required by the MFMA.

## **Emphasis of matters**

I draw attention to the matters below. My opinion is not modified in respect of these matters:

### **Significant uncertainties**

Enquiries of management and the attorneys revealed that the municipality is a defendant in a number of lawsuits amounting to approximately R8 315 224 as disclosed in note 52 to the financial statements. The outcome of these lawsuits cannot be determined at present and no provision has been made for any liability that may result.

### **Unauthorized expenditure**

As disclosed in note 46.1 to the financial statements, the municipality incurred unauthorised expenditure of R15 689 456 as a result of exceeding budgeted amounts in terms of the votes.

### **Restatement of corresponding figures**

As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2009 have been restated as a result of errors discovered during 2010 in the financial statements of the Govan Mbeki municipality at, and for the year ended 30 June 2010.

### **Impairments**

As disclosed in note 33 to the financial statements, there was a significant impairment of debtors amounting to R129 017 153 due to the poor collection of moneys owed to the municipality by consumers.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the PAA and in terms of *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the MFMA, Local Government: Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and the Local Government: Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA), and financial management (internal control).

### **Predetermined objectives**

Material findings on the report on predetermined objectives, as set out on pages xx to xx, are reported below:

## **Non-compliance with regulatory requirements**

### ***Lack of adoption or implementation of a performance management system***

The municipality did not adopt a framework that described and represented how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement would be conducted, organised and managed, including determining the roles of the different role players, as required in terms of sections 36, 38 and 41(2) of the MSA and regulations 7 and 8 of the Municipal Planning and Performance Management Regulations, 2001.

### ***Existence and functioning of a performance audit committee***

The municipality did not appoint and budget for a performance audit committee, nor was another audit committee utilised as the performance audit committee, as required by regulation 14(2) of the Municipal Planning and Performance Management Regulations, 2001.

### ***Internal auditing of performance measurements***

The internal auditors of the municipality did not audit the performance measurements on a continuous basis and submit quarterly reports on their audits to the municipal manager and the performance audit committee.

### ***No mid-year performance assessments***

The accounting officer of the municipality did not by 25 January assess adequately the performance of the municipality during the first half of the financial year, taking into account the municipality's service delivery performance during the first half of the financial year and the service delivery targets and performance indicators set in the service delivery and budget implementation plan, as required by section 72 of the MFMA.

### ***Reasons for major variances between planned and actual reported targets were not documented***

Adequate explanations for major variances between the planned and the actual reported targets for 30% of the reported targets were not documented.

## **Usefulness of information**

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?

- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable and time bound?

The following audit findings relate to the above criteria:

### ***Reported information not consistent with planned objectives, indicators and targets***

The municipality did not report on its performance against predetermined objectives, indicators and targets, which were consistent with the approved integrated development plan.

### ***Planned performance targets not measurable and time bound***

For the selected objectives, 100% of the planned targets were not

- specific in clearly identifying the nature and the required level of performance
- measurable in identifying the required performance
- time bound in specifying the time period or deadline for delivery

## **Compliance with laws and regulations**

### ***Municipal Finance Management Act***

#### **Audit committee was not properly established or not functioning properly**

Contrary to the requirements of section 166(2)(a)(v) and 166(2)(a)(viii) of the MFMA, the audit committee did not discharge its mandate as required by the act, mainly due to its late appointment.

#### **Internal audit unit was not properly established or not functioning properly**

Contrary to the requirements of sections 165(2)(b)(iii) and 166(2)(b)(v) of the MFMA, the internal audit unit did not discharge its responsibilities as required by the act, mainly due to its late appointment.

#### **Expenditure was not paid within the parameters set by the applicable legislation**

- Contrary to the requirements set out in section 65(e) of the MFMA, expenditure was not paid within 30 days from the receipt of invoices.

- Contrary to the requirements of section 116(1)(a)(i) of the MFMA, goods and services supplied by providers were paid for without a valid written and signed contract.

## **INTERNAL CONTROL**

I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the MFMA, but not for the purpose of expressing an opinion on the effectiveness of internal control.

The matters reported below are limited to the significant deficiencies regarding the findings on the report on predetermined objectives and compliance with laws and regulations.

### **Leadership**

#### ***Oversight responsibility***

The accounting officer did not adequately exercise oversight responsibility over reporting, compliance with laws and regulations, and internal control.

### **Financial and performance management**

#### ***Quality, reliable monthly financial statements and management information***

- The financial statements were subject to material amendments resulting from the audit.
- The financial statements and other information to be included in the annual report were not reviewed for completeness and accuracy prior to submission for auditing.
- The annual performance report was not submitted for auditing as per the legislated deadline.

### **Governance**

#### ***Risk identification and management designed to identify changes in processes or risks and verify that the design of underlying controls remains effective***

- The entity did not identify risks relating to the achievement of financial and performance reporting objectives.
- The risk of material misstatement due to fraud was not considered.

#### ***Internal audit did not inspect the adequacy and implementation of internal control***

The internal audit unit did not fulfill its responsibilities as set out in legislation and in accordance with accepted best practice and standards.



***Audit committee did not promote independent accountability and service delivery***

The audit committee could not fulfill its responsibilities as set out in legislation and in accordance with accepted best practice as it was appointed late.

Nelspruit

30 November 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## **SECTION 11**

# **CORRECTIVE ACTION TAKEN IN RESPONSE TO ISSUES RAISED IN THE AUDIT REPORT**

## **RESPONSE TO THE AUDIT REPORT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2010**

Notwithstanding the fact that the Auditor General once again expressed an unqualified opinion, the municipality's attention is drawn to the emphasis of matters and the following comments and recommendations are made with reference to the report.

Paragraph heading references coincide with those in the audit report.

### **EMPHASIS OF MATTERS**

#### **Significant uncertainties**

The amount of R 8, 315,225 is with regards to the claims against the municipality wherein the municipality is defending the cases. Provision is made where the municipality is sure that there will be an outflow of the resources however if there is no indication the disclosure suffices in terms of GRAP standards. The management will look into each case at the reporting date, where the case meets the definition of a liability, then a provision will be made and will be reviewed each reporting date.

#### **Unauthorized expenditure**

The unauthorized expenditure of R 15 689 457 is in relation to the votes that were overspent due to year-end adjustments which were not budgeted for in 2009/2010. The departments are the Executive council, Public safety and Corporate services. The management will ensure that processes are put in place to ensure that there is no over -expenditure incurred at vote level and that the year-end transactions will be adequately budgeted for.

#### **Restatement of corresponding figures**

The correction of error is disclosed in note 41, in relation to the assets to the value of R 200,020,017 that were in the valuation roll and not in the asset register which were sold and the registration process not yet finalized by the Deeds Office hence the asset register had to be corrected with the said amount and furthermore there were correction made with regards to the debtors that were incorrectly billed in 08/09 financial year and a correction of R 6 934 468.00 was passed during the 09/10 financial year.

## **Impairments**

The impairment of debtors referred to in this paragraph relates to the writing off for indigents consumer in terms of section 24(13), read with section 38(3)(a) of the Credit Control and Debt Collection Policy, and on Fixed Asset.

Stringent procedures should be developed and implemented in both Debt and Credit Control and Asset Management and Maintenance

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Predetermined Objectives**

Response on Predetermined Objectives are as follows:

### **Non-compliance with regulatory requirements**

#### ***Lack of adoption or implementation of a performance management system.***

The municipality needs to re-confirm the adoption of the Balance Scorecard as a framework in terms of guidelines from the South African Local Government Association. In the meantime an invitation has been extended to service providers to bid for the Development of Performance Management System.

#### ***Existence and functioning of a Performance Audit Committee***

The Audit Committee has also been assigned the responsibility of the performance audit; all performance related reports will be tabled to the committee. The assignment will be expressly made in the audit committee charter.

#### ***Internal auditing of performance measurements.***

The internal audit unit has been established and will consider such reports prior tabling to the Audit Committee.

***No mid-year performance assessments***

The performance assessment of the municipality will be enhanced through the implementation of an electronic system which is currently on tender.

***Reason for major variances between planned and actual reported targets were not documented***

The performance management framework supported by the electronic system will guide how major variances planned and actual reported targets should be handled.

**Usefulness of information**

***Reported information not consistent with planned objectives, indicators and targets.***

The departmental key performance areas as identified will be re-aligned to the pre-determined objectives, indicators and targets as contained in the IDP.

***Planned performance targets not measurable and time bound.***

The implementation of the electronic management system will address this matter.

**Compliance with laws and regulations**

***Municipal Finance Management Act***

**Audit Committee was not properly established or not functioning properly.**

The Audit Committee has been established and is meeting on quarterly basis.

**Expenditure was not paid within the parameters set by applicable legislation.**

The Municipality experienced cash flow problems which is been address currently, hence some of the invoices were paid after due date.

An assessment is being conducted of contract management to ensure that there is full compliance with the MFMA requirements; this situation will be reverted in future.

**Internal Audit Committee was not properly established or not functioning properly.**

The municipality has established an internal audit division from 1 June 2010

**INTERNAL CONTROL**

**Leadership**

***Oversight Responsibility***

Reporting responsibilities of various departments to Council and Council committees, and all other legislated reporting requirements will be sanctioned through the Office of the Municipal Manager and compliance will be monitored through the performance management system.

**Financial and performance management**

***Quality, reliable monthly financial statements and management information.***

The Municipality is currently introducing preparation integrated quarterly reporting including financial statements which will eventually be on monthly bases. This practise will enable the municipality to detect early warning signals that may cause material adjustments to financial statements and the annual report.

**Governance**

***Risk identification and management designed to identify changes in processes or risks and verify that the design of underlying controls remains effective.***

The Municipality has appointed the Chief Risk Officer from the 10 May 2010 to oversee the processes of risk identification and assessment within the institutions.

***Internal audit did not inspect the adequacy and implementation of internal control***

The municipality has established an internal audit division from 1 June 2010 to ensure that there is compliance with the requirements of MFMA and best practices.

***Audit Committee did not promote independent accountability and service delivery.***

The audit committee charter for the year 2010/11 has been developed and approved by audit committee and Council. The audit committee is scheduled to meet on quarterly basis. The measures to improve the credibility and objectivity of the financial statements and reports of the municipality have been incorporated into the terms of references of the Audit committee.

## **SECTION 12**

# **ASSESSMENT OF ARREARS IN RESPECT OF MUNICIPAL TAXES AND SERVICE CHARGES**



<b>CONSUMER DEBTORS AS AT 30 June 2010</b>					
		<b>Gross</b>		<b>Provision for</b>	
		<b>Balances</b>		<b>Impairment</b>	<b>Net</b>
					<b>Balances</b>
Service Debtors:		363,267,703		322,449,781	40,817,922
Assessment Rates		41,420,001		17,928,455	23,491,546
Electricity		59,538,627		52,341,363	7,197,265
Refuse		61,780,789		60,384,642	1,396,147
Sewerage		68,731,071		67,044,279	1,686,791
Water		131,797,215		124,751,042	7,046,173
Loan Instalments		13,030,877		12,511,745	519,132
Other Debtors		54,305,075		54,566,017	(260,942)
<b>Total Consumer Debtors</b>		<b>430,603,655</b>		<b>389,527,544</b>	<b>41,076,112</b>

<b><i>Ageing of Consumer Debtors</i></b>			
<b><i>Rates: Ageing</i></b>			
<u><i>Current:</i></u>			
0 - 30 days		9,291,217	12,801,500
<u><i>Past Due:</i></u>			
31 - 60 Days		2,185,233	1,710,307
61 - 90 Days		1,202,975	1,293,398
91 - 120 Days		890,281	1,049,531
+ 120 Days		27,850,295	19,624,241
<b>Total</b>		<b>41,420,001</b>	<b>36,478,977</b>
<b><i>Electricity: Ageing</i></b>			
<u><i>Current:</i></u>			
0 - 30 days		10,346,156	10,074,843
<u><i>Past Due:</i></u>			
31 - 60 Days		5,048,091	1,857,417
61 - 90 Days		2,436,770	1,218,390
91 - 120 Days		1,348,827	1,000,074
+ 120 Days		40,358,783	17,806,927
<b>Total</b>		<b>59,538,627</b>	<b>31,957,650</b>
<b><i>Refuse: Ageing</i></b>			
<u><i>Current:</i></u>			
0 - 30 days		2,902,498	4,145,109
<u><i>Past Due:</i></u>			
31 - 60 Days		1,823,383	1,443,927
61 - 90 Days		1,538,598	1,300,914
91 - 120 Days		1,280,008	1,247,604

+ 120 Days		54,236,301	45,401,953
<b>Total</b>		<b>61,780,789</b>	<b>53,539,507</b>
<i><b>Sewerage: Ageing</b></i>			
<u>Current:</u>			
0 - 30 days		3,515,306	3,631,160
<u>Past Due:</u>			
31 - 60 Days		2,172,989	1,597,382
61 - 90 Days		1,954,527	1,409,230
91 - 120 Days		1,489,069	1,397,860
+ 120 Days		59,599,181	47,545,141
<b>Total</b>		<b>68,731,071</b>	<b>55,580,774</b>
<i><b>Water: Ageing</b></i>			
<u>Current:</u>			
0 - 30 days		9,421,964	10,179,508
<u>Past Due:</u>			
31 - 60 Days		5,259,608	3,797,757
61 - 90 Days		4,008,753	3,102,214
91 - 120 Days		3,360,205	2,990,231
+ 120 Days		109,746,685	72,535,745
<b>Total</b>		<b>131,797,215</b>	<b>92,605,455</b>
<i><b>Loan Instalments: Ageing</b></i>			
<u>Current:</u>			
0 - 30 days		715,669	550,389

<i>Past Due:</i>			
31 - 60 Days		1,448,616	327,645
61 - 90 Days		433,316	293,275
91 - 120 Days		356,268	364,548
+ 120 Days		10,077,008	9,124,362
<b>Total</b>		<b>13,030,877</b>	<b>10,660,219</b>
<i>Other Debtors: Ageing</i>			
<i>Current:</i>			
0 - 30 days		285,046	780,857
<i>Past Due:</i>			
31 - 60 Days		577,430	575,644
61 - 90 Days		571,053	551,753
91 - 120 Days		483,238	543,060
+ 120 Days		52,388,308	51,617,493
<b>Total</b>		<b>54,305,075</b>	<b>54,068,807</b>

## **SECTION 13**

### **Assessment of Performance against Objectives for Revenue Collection**

Description	2009/2010	2009/2010	2009/2010	2009/2010	Explanation of Significant Variances greater than 10% versus Budget
	Actual	Budget	Variance	Variance	
<b>REVENUE</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>%</b>	
Property Rates	120,904,558	124,577,600	(3,673,042)	(3.04)	Revenue budgeted for under Interest Earned - Outstanding debtors
Property Rates - Penalties imposed and collection charges	3,571,847	-	3,571,847	100.00	
Service Charges	496,739,041	446,816,200	49,922,841	10.05	Increased in number of consumers
Rental of Facilities and Equipment	4,874,116	3,568,400	1,305,716	26.79	Higher demand of facilities
Interest Earned - External investments	12,615,598	6,904,900	5,710,698	45.27	Increased in short term investments
Interest Earned - Outstanding debtors	24,257,837	42,729,400	(18,471,563)	(76.15)	Decrease in interest charged
Fines	4,849,943	4,332,400	517,543	10.67	Under performance of the Traffic Department
Licences and Permits	124,827	630,700	(505,873)	(405.26)	Dog licences not enforced
Income for Agency Services	15,899,154	10,455,400	5,443,754	34.24	Increased demand for vehicle licences
Government Grants and Subsidies	244,266,719	249,604,285	(5,337,566)	(2.19)	
Other Income	11,881,493	12,384,600	(503,107)	(4.23)	
Public Contributions and Donations	220,164	1,000,500	(780,337)	(354.43)	Optimistic budget based on previous years' receipts
Gains on Disposal of Property, Plant and Equipment	4,473,541	3,000,000	1,473,541	32.94	Fewer stands sold than budgeted for
<b>Total Revenue</b>	<b>944,678,837</b>	<b>906,004,385</b>	<b>38,674,452</b>	<b>4.27</b>	